



BILLING CODE: 8070-01-P

FEDERAL HOUSING FINANCE AGENCY

[No. 2012-N-09]

Proposed Collection; Comment Request

AGENCY: Federal Housing Finance Agency.

ACTION: 60-day Notice of Submission of Information Collection for Approval from the Office of Management and Budget.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995, the Federal Housing Finance Agency (FHFA) is seeking public comments concerning a currently approved information collection known as “Federal Home Loan Bank Acquired Member Assets, Core Mission Activities, Investments and Advances,” which has been assigned control 2590-0008 by the Office of Management and Budget (OMB). FHFA intends to submit the information collection to OMB for review and approval of a three year extension of the control number, which is due to expire on October 31, 2012.

DATES: Interested persons may submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit comments to FHFA using any one of the following methods:

- E-mail: RegComments@fhfa.gov. Please include Proposed Collection; Comment Request: Federal Home Loan Bank Acquired Member Assets, Core Mission

Activities, Investments and Advances (No. 2012-N-09) in the subject line of the message.

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail/Hand Delivery: Federal Housing Finance Agency, 400 Seventh Street, SW., Eighth Floor, Washington, DC 20024, ATTENTION: Public

Comments/Proposed Collection; Comment Request: Federal Home Loan Bank Acquired Member Assets, Core Mission Activities, Investments and Advances (No. 2012-N-09).

We will post all public comments we receive without change, including any personal information you provide, such as your name, address (mailing and email), and telephone number on the FHFA website at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m. at Federal Housing Finance Agency, 400 Seventh Street, SW., Eighth Floor, Washington, DC 20024. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 649-3804.

FOR FURTHER INFORMATION CONTACT: Rajkumar Thangavelu, Financial Database Specialist at 202-649-3943 (not a toll-free number), Rajkumar.Thangavelu@fhfa.gov. The telephone number for the Telecommunications Device for the Deaf is 800-877-8339.

SUPPLEMENTARY INFORMATION:

A. Need For and Use of the Information Collection

The Federal Home Loan Banks (Banks) are authorized under 12 CFR part 955 to acquire from their member financial institutions and non-member housing associates certain home mortgage loans and related assets, which are referred to as “Acquired Member Assets” or “AMA.” In conjunction with this authority, each Bank that acquires AMA is required by regulation to report to FHFA certain data regarding each loan acquired, as specified in FHFA’s Data Reporting Manual (DRM). The DRM specifies 87 data elements that must be reported semi-annually for each new loan acquired, as well as 22 additional data elements that must be reported semi-annually for existing AMA loans or loan participations held in the Bank’s portfolio. The DRM also requires that the Banks report aggregated AMA loan data on a quarterly basis. FHFA uses the collected loan-level and aggregated AMA data to monitor the safety and soundness of the Banks and the extent to which the Banks are fulfilling their statutory housing finance mission through their AMA programs.¹

Since 2010, FHFA has also published the previous calendar year’s loan-level AMA data in an online public use database.² The agency maintains this public use database in order to fulfill its duties under section 10(k) of the Federal Home Loan Bank Act (Bank Act), which requires that the Banks report to FHFA specified census tract-level data relating to purchased mortgages and that the agency make this data available to the public in a useful form.³ At the time that Congress enacted section 10(k) in 2008, the Banks were already reporting most of the data referenced in that provision pursuant to the

¹ FHFA is responsible for supervising the safety and soundness of the Banks, as well as the fulfillment of the Banks’ statutory housing finance mission. See 12 U.S.C. § 4513(a)(1).

² This public use database is accessible at <http://www.fhfa.gov/Default.aspx?Page=304>.

³ See 12 U.S.C. 1430(k).

existing requirements of part 955 and the DRM. In order to implement fully the new statutory requirements, FHFA amended the DRM in September 2009 to require the Banks to report to FHFA six additional data elements relating to newly-acquired AMA loans (in addition to then-existing 81 data elements) beginning in February 2010.

While each Bank that acquires or holds AMA loans must report both loan-level and aggregated AMA data directly to FHFA, the Bank initially must collect some of the underlying loan-level data from the member institution or housing associate from which the Bank acquires the loan (this is usually, but not always, the originator of the loan). The Bank typically collects the data for a particular AMA loan from the seller at the time the Bank agrees to acquire the loan. The Bank then uses this loan-level data to derive many of the other data elements that it is required to report to FHFA. For example, from the address of the property that secures the loan, a Bank is able to determine from publicly-available information the census tract code (and other similar geographic codes) for the property, as well as the median family income, and other data regarding the census tract or other defined geographic area. With this additional information, the Bank is also able to calculate various ratios, such as the ratio of the borrower's income to the area median family income, which it is required to report under the DRM. Finally, some of the loan-level data originates with the Bank itself, such as the name of the acquiring Bank, the unique loan number assigned to the acquired loan, and the AMA program under which the loan was acquired.

All but 8 to 10 of the data elements provided by the seller to the acquiring Bank are information that any purchaser of mortgage loans would require a seller to furnish in the ordinary course of business, even in the absence of any statutory or regulatory

requirements. For example, the Bank must report, and the seller must therefore initially provide, data on: the location and type of the residential property securing the loan; the annual income and the debt-to-income ratio of the borrower and any co-borrowers; and the unpaid principal balance, term-to-maturity, interest rate, and type (i.e., fixed- or adjustable-rate) of the loan. The remaining data that would not normally be exchanged in the ordinary course of business comprises information identifying the race, ethnicity, and gender of the borrower and any co-borrowers, which are items that the Banks are required to aggregate and report by census-tract to FHFA under section 10(k) of the Bank Act. It is these few items that comprise the actual information collection requirement to which Bank members and housing associates may be required to respond.

The OMB control number for the information collection, which expires on October 31, 2012, is 2590-0008. The likely respondents are member and non-member financial institutions that sell AMA assets to Banks.

B. Burden Estimate

FHFA estimates that the hour burden associated with the AMA collection will be lower than that estimated when the agency last requested clearance for this control number. FHFA estimates that the total annual average number of AMA loans acquired by all Banks will be 48,000 and that the average time needed for a respondent to record and transmit the relevant data to the acquiring Bank will be 5 minutes per loan. Accordingly, the estimate for the total annual hour burden on respondents is 4,000 hours (48,000 loans x 5 minutes per loan).

C. Comment Request

FHFA requests written comments on the following: (1) whether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the accuracy of the FHFA estimates of the burdens of the collection of information; (3) ways to enhance the quality, utility and clarity of the information collected; and (4) ways to minimize the burden of the collection of information, including through the use of automated collection techniques or other forms of information technology.

Date: _July 31, 2012

Kevin Winkler,
Chief Information Officer, Federal Housing Finance Agency.

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